

MOTION BY SUPERVISOR SHEILA KUEHL

February 10, 2015

The California Legislature, in adopting the Property Tax Relief Act of 1972 (“SB90”), declared its intent to reimburse local government entities for the costs of new or increased programs mandated by the State of California. The California Legislature subsequently created the Commission on State Mandates, effective January 1, 1984, to receive, review, and decide on, claims for SB90 reimbursement from local government entities, including the County of Los Angeles (“The County”).

The County currently has outstanding SB90 Reimbursement Claims in the amount of \$252 million, for services provided to Los Angeles County residents through various County departments. Per established County Fiscal Policies, the County has set aside \$140 million of Net County Cost to backstop long-term receivables against some of these claims. In the Governor’s Proposed Budget for 2015-16, Governor Jerry Brown has proposed to pay \$533 million toward local government SB90 Reimbursement Claims. Of this amount, Los Angeles County is expected to receive up to \$88 million.

The Board of Supervisors has established a short-term financial contingencies account in the Provisional Financing Uses budget unit (PFU for Budget Uncertainties),

MOTION

SOLIS \_\_\_\_\_

RIDLEY-THOMAS \_\_\_\_\_

KUEHL \_\_\_\_\_

KNABE \_\_\_\_\_

ANTONOVICH \_\_\_\_\_

to address emerging County services and operational needs. The County's Final Adopted Budget for Fiscal Year 2014-15 included approximately \$34 million in this account. Additional expenditures for unanticipated legal settlements, priority facilities maintenance projects and other emerging County priority projects, among others, will be financed with these funds.

**I, THEREFORE MOVE** that the Board of Supervisors direct the Interim Chief Executive Officer to:

- a) Evaluate potential reimbursements for SB90 Claims in the State Budget for 2015-16, as well as the possibility of advance reimbursement in the current fiscal year,
- b) In consultation with the Auditor-Controller, assess any potential reimbursements to determine the fund source of the original service provided and if the County provided Net County Cost to backstop the related long-term receivable, if any,
- c) Provide a report to the Board, within thirty days of the receipt of any SB90 reimbursements, that addresses the issues in items (a) and (b) above. The report should also include a recommendation to deposit such reimbursements, to the extent feasible, into the Provisional Financing Uses – Budget Uncertainties account.